

VZCZCXYZ0007
RR RUEHWEB

DE RUEHAM #2211/01 1440819
ZNY CCCCC ZZH
R 240819Z MAY 07
FM AMEMBASSY AMMAN
TO RUEHC/SECSTATE WASHDC 8703
INFO RUEHKA/AMEMBASSY DHAKA 0122
RUEHNE/AMEMBASSY NEW DELHI 0240
RUEAHL/DEPT OF HOMELAND SECURITY WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC
RUEHC/DEPT OF LABOR WASHDC

C O N F I D E N T I A L AMMAN 002211

SIPDIS

SIPDIS

STATE PASS TO USTR SAUMS, ROSENBERG, KARESH
STATE PASS TO DOL JAMES RUDE
DHS FOR U.S. CUSTOMS AND BORDER PROTECTION

E.O. 12958: DECL: 05/21/2017
TAGS: [ELAB](#) [ETRD](#) [GTIP](#) [KTEX](#) [BG](#) [JO](#)
SUBJECT: BANGLADESHI DEATH IN JORDAN'S QIZ UNDER
INVESTIGATION

REF: AMMAN 8998

Classified By: CLASSIFIED BY AMBASSADOR DAVID HALE FOR REASONS 1.4 (B)
AND (D).

11. (SBU) SUMMARY: On May 8, a Bangladeshi worker in one of Jordan's QIZ factories died in his sleep after working a 22-hour shift. The cause of death listed on police records was acute pneumonia. Operations managers at the factory claim that in an attempt to complete a newly placed monthly order running behind schedule, they offered voluntary overtime in the last days before delivery due date. Jordan's Ministry of Labor (MoL) is investigating the death and the factory's business practices, while increasing the number of inspections of the factory to include unannounced night-time visits. MoL inspectors have not yet determined whether there is sufficient evidence indicating violation of current local labor laws. NOTE: Jordan's current labor law does not put a cap on number of allowable overtime hours, but forced overtime is both a violation of the labor law (punishable by fine) and the code of conduct most American brands require of factories. END NOTE AND SUMMARY.

12. (C) During a May 10 routine visit to the "Century Miracle" factory in the Al-Hassan QIZ, factory management expressed concern to Econoffs about the potential fall-out from the death of a Bangladeshi textile worker in "Classic Fashion," an Indian-owned factory located in the same QIZ. A check with MoL authorities confirmed that two international monitors fluent in Bengali (funded by USAID to provide technical assistance to the MoL) received phone calls from workers at Classic Fashion on May 9 informing them that a worker had died. Workers who phoned in the death also claimed that the deceased employee died after working a 22-hour shift.

13. (C) Classic Fashion's operations management admitted to a locally-based American buyer social compliance auditor, Kesava Murali, that the worker had completed a 22-hour shift but died of acute pneumonia which had not been diagnosed before his death. Management provided medical records and police reports to substantiate their claim. The deceased worker's roommates told Murali that the employee showed no signs of sickness (symptoms of pneumonia) before his death.

14. (SBU) MoL advisor to the Minister Lejo Sibbel informed EconOff that complaints of physical abuse and long hours were prevalent at Classic Fashion before the worker's death. MoL has been compiling complaints and investigating claims for

some time. The factory had been warned about extensive overtime in the past, and was told that the Ministry was receiving complaints from workers. On each occasion, the General Manager (GM) claimed he had instructed operations management to lower overtime hours. The GM was out of the country at the time of the Bangladeshi's death and argues that the 22-hour shift happened without his knowledge.

15. (U) MoL representatives have met with the GM and operations management three times since the incident. The MoL remains actively engaged with the factory's management and the number of inspections at the factory have been increased to substantiate the case for labor law violations, while at the same time working with the factory to lower overtime hours. Additionally, the MoL is proactively facilitating payment of due wages and social security to the deceased worker's family from the factory through the Bangladeshi Embassy.

Buyer Analysis

16. (C) While the death of the worker demonstrates Classic Fashion's failure to observe decent labor standards as required by most American brands, Jones NY social compliance auditor Murali also believes the death highlights a more fundamental problem: overall bad management practices in the QIZ factories. Although the order that Classic Fashion was completing when the Bangladeshi died was not a Jones' order, Murali said that the management agreed to share their books with him. Murali saw an agreement to produce a knit-top for a buyer that had relatively complicated stitching. Classic Fashion had promised to deliver approximately 31,000 pieces in 26 days, which would require 1,200 pieces of output a day, a goal Murali said was never attainable. Over the first ten

days, Classic Fashion generated only 400 pieces a day. Factory management tried to increase the number of workers on the line, but that increased output to 600 pieces a day. The inability to meet production goals was only flagged as a major issue in the last few days before the order was due, leading to overnight shifts by approximately 150 workers, including the now deceased Bangladeshi, who worked 22 hours straight.

17. (C) Murali believes that signing an order that required unattainable daily targets - and then failing to take action to request an extension or re-arrange the lines with additional workers early on - demonstrates the lack of qualified individuals working in management. Lack of skills specifically needed to run a textile factory and evaluate order requests is a crucial weakness, Murali argues. NOTE: Murali has conducted over 200 factory visits in the 1.5 years he has been in Jordan. The buyer he represents, Jones NY, orders approximately \$150M in textiles from 18 factories in Jordan making it the largest purchaser of goods from Jordan's QIZs. END NOTE.

18. (C) Additionally, Murali said, failure to observe a decent code of conduct in this case also threatens Jones' own orders with Classic Fashion. According to Murali, while Jones had been increasing orders with Classic Fashion to encourage efforts made by management to improve working conditions (i.e., sanitation, correct wage payments, better food), this death and overall difficulty in getting the owners to lower worker hours and provide more days off (currently workers receive only one day off a month) will most likely have a negative impact on orders with Classic Fashion.

19. (SBU) Post has not yet seen any press reports on the worker's death. Management at factories believe that the NLC has strong channels of communication with workers in the QIZs, and they are bracing for the impact that a flash report from the NLC on the death might create for the entire industry.

110. (SBU) NOTE: A U.S. Customs jump team and Econoff visited Classic Fashion in March 2007 to follow up on allegations of

transshipments (see reftel). During that visit, Classic's managers noted that the factory employed 2,600 workers, of which 2,200 were foreign, and that they were operating at 80-85% of capacity. They assured the team that the factory had only one 8-hour shift per day, six days a week, and paid overtime for a maximum 2 hours. Although post has not yet received the official report from Customs, the team indicated in an informal outbrief that they did not find any clear evidence of transshipment at the QIZ factories that they visited. END NOTE.

Hale